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Simple Steps Can Prevent Tax Scams as Private Debt Collection Begins

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WASHINGTON -- As the Internal Revenue Service begins its private debt collection initiative, the tax agency reminds taxpayers there are several simple steps that can provide protection against scam artists.

Scamsters try a variety of tricks to impersonate the IRS in hopes of tricking taxpayers into divulging personal or financial information or even conning people out of cash. Scam artists try to impersonate the IRS in person, by phone, by e-mail and over the Internet.

Currently, the IRS is beginning its private debt collection effort, where a small segment of taxpayers who owe back taxes will be contacted by private sector debt collectors. There are several key elements of this program that will alert taxpayers they are part of this program and help other taxpayers from being scammed by impersonators:

- **Taxpayer notification**. All taxpayers who will be part of the private debt collection effort will know they are in the program before they are contacted by a private collection agency. If you haven't previously heard that you're in the program, be wary of any bill collectors saying they are working on behalf of the IRS.
- **IRS letter.** All participants selected for the program will get a letter from the IRS, telling them they've been selected for the private debt collection program. The name of the company will be included in the letter.
- Collection agency letter. All participants will subsequently receive a second letter, this one from the collection agency, informing the taxpayer they will be contacted soon regarding back taxes.
- Money collected. When paying a collection agency on behalf of the IRS, remember that the check will be made out to the U.S. Treasury not to an individual or firm. The collection agency will provide the appropriate IRS coupon and mailing address for the payment. The collection agencies will never ask for cash or checks written to individuals.
- Contact the IRS. If in doubt, check IRS.gov or call the IRS at 800-829-1040 for more information.

"Don't be fooled by scam artists claiming to be from the IRS," said Kevin M. Brown, IRS Commissioner of the Small Business / Self-Employed Division. "People selected for the private collection program will be notified in advance from the IRS. There are clear processes in place for this program, so don't fall victim to fraudsters who are constantly looking for new ways to trick people."

The IRS sees a variety of different scams on different issues. One recent example involves a bogus e-mail claiming to be from the IRS. In this "phishing" scheme, the scam artist's e-mail claims to be from the IRS, tells recipients that they are due a federal tax refund, and directs them to a Web site that appears to be a genuine IRS site. The bogus sites contain forms or interactive Web pages similar to IRS forms or Web pages but which have been modified to request detailed personal and financial information from the e-mail recipients.

In general, all taxpayers should keep in mind the IRS never asks people for the PIN numbers, passwords or similar secret access information for their credit card, bank or other financial accounts. If in doubt about someone claiming to be from the IRS or working on behalf of the IRS, call the agency's toll-free help line at 800-829-1040.

The IRS has a variety of information about scams available at IRS.gov. More information about the private debt collection initiative is also available at IRS.gov.